
NOTE 8 – CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions/programs of the primary government and the component unit – School Board as follows:

Primary government – governmental funds

General government	\$	329,711
Judicial administration		125,900
Public safety		551,974
Public works		146,475
Health and welfare		19,498
Education		1,032,644
Parks, recreation, and cultural		299,927
Community development		<u>19,238</u>

Total governmental activities	\$	<u>2,525,367</u>
-------------------------------	----	------------------

Primary government – enterprise funds

Solid Waste Fund	\$	301,443
Airport Fund		<u>68,846</u>

Total enterprise funds	\$	<u>370,289</u>
------------------------	----	----------------

Component unit – School Board	\$	<u>2,508,096</u>
--------------------------------------	----	------------------

NOTE 9 – LONG-TERM OBLIGATIONS

PRIMARY GOVERNMENT

Annual requirements to amortize long-term debt and related interest are as follows:

Fiscal Year	Capital Leases		Revenue Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2006	573,726	353,805	125,000	137,790	4,440,000	2,465,490
2007	596,745	332,402	130,000	132,665	4,405,000	2,188,389
2008	620,169	309,573	135,000	127,010	4,350,000	1,948,159
2009	644,019	284,147	140,000	121,138	4,270,000	1,705,860
2010	678,316	251,390	145,000	115,048	3,630,000	1,486,746
2011	703,083	221,738	155,000	108,377	3,255,000	1,307,228
2012	738,344	190,352	160,000	101,248	3,220,000	1,142,248
2013	655,680	156,736	170,000	93,487	2,910,000	988,314
2014	575,000	126,180	175,000	85,242	2,905,000	842,429
2015	605,000	95,418	185,000	76,755	2,115,000	714,126
2016	635,000	63,050	195,000	67,320	2,115,000	603,883
2017	665,000	32,253	205,000	57,375	2,110,000	492,910
2018	-	-	215,000	46,920	1,660,000	393,076
2019	-	-	225,000	35,955	1,485,000	310,294
2020	-	-	235,000	24,480	1,485,000	234,259
2021	-	-	245,000	12,495	1,310,000	167,686
2022	-	-	-	-	1,085,000	111,548
2023	-	-	-	-	765,000	65,645
2024	-	-	-	-	765,000	27,555
2025	-	-	-	-	185,000	4,255
2026	-	-	-	-	-	-
Totals	\$ <u>7,690,082</u>	\$ <u>2,417,044</u>	\$ <u>2,840,000</u>	\$ <u>1,343,305</u>	\$ <u>48,465,000</u>	\$ <u>17,200,100</u>

NOTE 9 – LONG-TERM OBLIGATIONS (CONTINUED)

The following is a summary of long-term obligation transactions of the County for the year ended June 30, 2005:

	Adjusted Balance July 1, 2004	Additions	Retirements	Balance June 30, 2005	Amount Due Within One Year
Capital Leases	\$ 8,246,174	\$ -	\$ 556,092	\$ 7,690,082	\$ 573,726
Revenue Bonds	2,960,000	-	120,000	2,840,000	125,000
General Obligation Bonds	49,045,000	3,720,000	4,300,000	48,465,000	4,440,000
Premium on bonds payable	772,947	282,236	38,647	1,016,536	52,759
Compensated absences	2,523,155	674,533	326,923	2,870,765	287,076
Incurred but not reported claims	1,175,260	71,100	-	1,246,360	-
Total general long term obligations	<u>\$ 64,722,536</u>	<u>\$ 4,747,869</u>	<u>\$ 5,341,662</u>	<u>\$ 64,128,743</u>	<u>\$ 5,478,561</u>

The General Fund revenues are used to liquidate compensated absences and other long-term obligations.

Details of long-term obligations are as follows:

	Amount Outstanding	Amount Due Within One Year
Capital Leases:		
\$7,400,000 Public Safety Radio System 2002A, issued June 6, 2002, due in annual installments beginning April 1, 2003 through April 1, 2017, with interest payable semiannually at rates from 3.10% to 5.35%	\$ 6,285,000	\$ 415,000
\$1,700,000 capital lease agreement dated July 15, 2002 lease/purchase of library building located in Bealeton. Payments totaling \$261,162 have been received as of June 30, 2003 and repayment terms are not yet finalized.	1,405,082	158,726
Total Capital Leases	<u>7,690,082</u>	<u>573,726</u>

Revenue Bonds:

\$3,075,000 Sewer Revenue Bonds, Series of 2001, issued June 28, 2001, maturing annually beginning April 1, 2004 through April 1, 2021, with interest payable semiannually at rates from 4.10% to 5.10%	2,840,000	125,000
---	-----------	---------

General Obligation Bonds:

\$24,630,000 Virginia Public School Authority Bonds, Refunding Series 1994A, issued January 3, 1994, maturing annually beginning December 15, 1994 through December 15, 2011, with interest payable semiannually at rates from 6.40% to 7.62%	6,855,000	1,445,000
\$9,000,000 Virginia Public School Authority Bonds 1996A, issued November 14, 1996 maturing annually beginning July 15, 1997 through July 15, 2017 with interest payable semiannually at rates from 5.10% to 6.10%	5,400,000	450,000
\$3,500,000 Virginia Public School Authority Bonds, Series 1997B, issued November 20, 1997, maturing annually beginning July 15, 1998 through July 15, 2017, with interest payable semiannually at rates from 4.35% to 5.35%	2,275,000	175,000

NOTE 9 – LONG-TERM OBLIGATIONS (CONTINUED)

	Amount Outstanding	Amount Due Within One Year
General Obligation Bonds: (continued)		
\$3,500,000 Virginia Public School Authority Bonds, Series 1999A, issued November 29, 1999, maturing annually beginning July 15, 2000 through July 15, 2019, with interest payable semiannually at rates from 5.10% to 6.10%	\$ 2,625,000	\$ 175,000
\$4,575,000 Virginia Public School Authority Bonds, Series 2000A, issued November 16, 2000, maturing annually beginning July 15, 2001 through July 15, 2020, with interest payable semiannually at rates from 4.975% to 5.85%	3,655,000	230,000
\$8,495,000 General Obligation School Refunding Bonds, Series of 2001, issued July 24, 2001, maturing annually from July 15, 2002 through July 15, 2013, with interest payable at rates from 3.00% to 4.60%	7,450,000	870,000
\$6,410,000 Virginia Public School Authority Bonds, Series 2001C, issued November 15, 2001, maturing annually from July 15, 2002 through July 15, 2021 with interest payable semiannually at rates from 3.10% to 5.25%	5,440,000	320,000
\$11,630,000 Virginia Public School Authority Bonds, Series 2003A, issued November 6, 2003, maturing annually from July 15, 2004 through July 15, 2023, with interest payable semiannually at rates from 3.20% to 5.35%	11,045,000	585,000
\$3,720,000 Virginia Public School Authority Bonds, Series 2004A, issued November 10, 2004, maturing annually from July 15, 2005 through July 15, 2024, with interest payable semiannually at rates from 4.10% to 5.60%	3,720,000	190,000
Total General Obligation Bonds	48,465,000	4,440,000
Premium on bonds payable	1,016,536	52,759
Compensated absences payable	2,870,765	287,076
Incurred but not reported claims	1,246,360	-
Total primary government long-term obligations	\$ 64,128,743	\$ 5,478,561

NOTE 9 – LONG-TERM OBLIGATIONS (CONTINUED)

PROPRIETARY FUNDS

Annual requirements to amortize long-term debt and related interest are as follows:

Fiscal Year	Revenue Bonds	
	Principal	Interest
2006	345,000	77,275
2007	360,000	63,475
2008	375,000	49,075
2009	395,000	32,200
2010	410,000	16,400
Total	\$ 1,885,000	\$ 238,425

The following is a summary of long-term obligations transactions, including landfill closure and other items of the Enterprise Funds for the year ended June 30, 2005:

	Balance July 1, 2004	Additions	Retirements	Balance June 30, 2005
Enterprise fund debt:				
Solid Waste Bonds	\$ 2,220,000	\$ -	\$ 335,000	\$ 1,885,000
Compensated Absences	140,220	2,241	63,584	78,877
Landfill closure and postclosure liability	4,476,382	2,843,090	-	7,319,472
Premium on bonds payable	80,121	-	13,733	66,388
Deferred amount on refunding	(77,728)	19,931	-	(57,797)
Total enterprise debt	\$ 6,838,995	\$ 2,865,262	\$ 412,317	\$ 9,291,940

Details of long-term obligations are as follows:

	Amount Payable June 30, 2005	Amount Due Within One Year
Revenue Bonds:		
\$2,695,000 Revenue Refunding Bonds, Series 2002B, dated October 15, 2002 payable in various semi-annual installments beginning May 1, 2003 through May 1, 2010, interest at 3.71%	\$ 1,885,000	\$ 345,000
Compensated absences	78,877	7,887
Landfill closure and postclosure liability	7,319,472	-
Premium on bonds payable	66,388	13,736
Deferred amount on refunding	(57,797)	(11,958)
Total proprietary fund obligations	\$ 9,291,940	\$ 354,665

NOTE 9 – LONG-TERM OBLIGATIONS (CONTINUED)

DISCRETELY PRESENTED COMPONENT UNIT – SCHOOL BOARD

The following is a summary of long-term obligation transactions of the School Board for the year ended June 30, 2005:

	Balance July 1, 2004	Additions	Retirements	Balance June 30, 2005
General long-term debt:				
Compensated absences	\$ 3,702,584	\$ 313,609	\$ 185,683	\$ 3,830,510
Total general long-term debt	<u>\$ 3,702,584</u>	<u>\$ 313,609</u>	<u>\$ 185,683</u>	<u>\$ 3,830,510</u>

Details of long-term obligation are as follows:

	Amount Payable June 30, 2005	Amount Due Within One Year
Compensated absences payable, component unit	\$ 3,830,510	\$ 383,051
Total component unit long-term debt	<u>\$ 3,830,510</u>	<u>\$ 383,051</u>

NOTE 10 – CONSTRUCTION COMMITMENTS

At June 30, 2005, the County has several major projects under construction which are summarized below:

Project	Contract Amounts	Expenditures as of June 30, 2005	Contract Balance
Primary Government:			
Courthouse	\$ 3,598,139	\$ 2,403,499	\$ 1,194,640
Public Safety Radio System	7,207,402	7,171,234	36,168
Detention Center	2,439,954	1,670,228	769,726
Airport Runway	8,925,286	8,362,146	563,140
Total	<u>\$ 22,170,781</u>	<u>\$ 19,607,107</u>	<u>\$ 2,563,674</u>

NOTE 11 – COMMITMENTS & CONTINGENT LIABILITIES

Federal programs in which the County and School Board participate were audited in accordance with the provisions of the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Pursuant to the provisions of this circular all major programs and certain other programs were tested for compliance with applicable grant requirements. While no matters of noncompliance were disclosed by the audit, the Federal Government may subject grant programs to additional compliance tests that may result in disallowed expenses. In the opinion of management, any future disallowance of current grant program expenditures, if any, would be immaterial.

NOTE 12 – CLAIMS AND LITIGATION

The County, in connection with the normal conduct of its affairs, is involved in various claims, judgments and litigation. The estimated potential claims against the County resulting from such litigation should not materially affect the financial statements of the County.